



## Wisconsin Health Insurance Risk Sharing Plan (HIRSP)

Division of Health Care Financing  
Department of Health and Family Services

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### Act now if you want to change your HIRSP coverage for 2006

September 2005

Attention Plan 1 Policyholders:

This letter is to inform you that you may change your 2006 HIRSP coverage **by choosing between Option A and Option B**. Making a change will affect how much you pay in premiums, deductibles, and out-of-pocket costs. If you are satisfied with your current coverage, you do not have to do anything during this "Choice of Coverage" time. However, you may wish to review this checklist of important considerations before making your decision:

- o This is the **only** time during the year that you may change your coverage.
- o If you change your coverage at this time, your new coverage will be **effective on January 1, 2006**, and will remain in effect **for the entire year**. Likewise, if you do **not** change your coverage, your current coverage option will remain in effect for all of 2006. Any changes in premium rates due to plan changes will take effect on January 1st, 2006.
- o When comparing the premium rates for Option A and Option B, take the deductible amounts into consideration. Although Option B generally has lower premiums, it has a higher deductible (\$2,500) and therefore, your out-of-pocket expenses may be greater. Option A has higher premiums, but has a lower deductible (\$1,000) with lower out-of-pocket costs. See the attached *Quarterly Premium Rate Tables*.
- o If you are currently enrolled in Option A and receive reductions in premium, deductible, and drug coinsurance, you would lose them by changing to Option B. If you are enrolled in Option B and change to Option A, you will be able to apply for these reductions. Note that reductions are only available to policyholders with annual household incomes of less than \$25,000.
- o Consider the cost of medical services and prescription drug services you use in one year to see which medical deductible option and corresponding drug coinsurance out-of-pocket maximum would best serve you. See the *Plan 1 Policy Options Table* on the next page.
- o Review your financial situation and include planning for a potential premium rate increase in July 2006. According to state law, the HIRSP premium rates must be set to cover claims and administrative expenses, and must be a specific percentage higher than the average of the rates charged by Wisconsin's commercial health insurers for policies with coverage similar to HIRSP. Commercial health insurance rates are expected to increase, on average, 12-17%, but could be higher or lower depending on actual marketplace trends and insurer experience.
- o To change coverage, **HIRSP must receive your application by November 1, 2005**. The *Choice of Coverage Request* form is attached.

If you have questions, please call HIRSP Customer Service at (800) 828-4777 or (608) 221-4551.

**For more information about HIRSP, visit our Web site at:**  
**<http://dhfs.wisconsin.gov/hirsp>**

	Plan 1 Policy Options	
	Plan 1, Option A	Plan 1, Option B
<b>Premiums</b>	Refer to attached rate tables.	Refer to attached rate tables.
<b>Premiums reductions available if you qualify</b>	Yes* (see below).	No.
<b>Medical deductible</b> (You pay)	<b>\$1,000</b> per year	<b>\$2,500</b> per year.
<b>Medical deductible reductions available if you qualify</b>	Yes** (See below).	No.
<b>Medical coinsurance</b> (You pay)	<b>20%</b> of allowed amount, <b>\$1,000</b> total per year.	<b>20%</b> of allowed amount, <b>\$1,000</b> total per year.
<b>Individual medical out-of-pocket maximum</b> (Your total expenditures for medical deductible and medical coinsurance, after which HIRSP will pay at 100%)	<b>\$2,000</b> per year. This does not include drug coinsurance.	<b>\$3,500</b> per year. This does not include drug coinsurance.
<b>Family medical out-of-pocket maximum</b> (All family members must be on the same plan).	<b>\$4,000</b> per year. This does not include drug coinsurance	<b>\$7,000</b> per year. This does not include drug coinsurance.
<b>Drug coinsurance</b> (You pay)	<b>20%</b> of the allowed amount up to a maximum of <b>\$25</b> per prescription.	<b>20%</b> of the allowed amount up to a maximum of <b>\$25</b> per prescription.
<b>Drug coinsurance out-of-pocket maximum</b> (Your total expenditures for drug coinsurance after which HIRSP will pay at 100%.)	<b>\$750</b> per year. This is in addition to your medical coinsurance.	<b>\$1,000</b> per year. This is in addition to your medical coinsurance.
<b>Drug coinsurance out-of-pocket maximum reductions available if you qualify</b>	Yes** (See below).	No.
	<p><b>*Available for policyholders with household incomes of less than \$25,000.</b> If you are interested in receiving premium reductions, contact HIRSP Customer Service at (800) 828-4777 or (608) 221-4551 for more information.</p> <p><b>** Available for policyholders with household incomes of less than \$20,000.</b> If you are interested in receiving these reductions, contact HIRSP Customer Service at (800) 828-4777 or (608) 221-4551 for more information.</p>	

## How to read HIRSP's Quarterly Premium Rate Tables

You should review the rate tables on the next page to determine if you would benefit from changing your HIRSP coverage.

Complete the following steps:

1. Find the table that currently applies to you. Tables are listed by plan and option and gender. If you do not know which plan and option you are enrolled in, please refer to your HIRSP identification card.
2. Find your age bracket in the table.
3. Find your zone as indicated by the ZIP code ranges as defined in the key below the tables.
4. Find the box where the age row and zone column meet. This is your current quarterly premium, excluding reductions for premium, deductible, and drug coinsurance out-of-pocket maximum.
5. Find the table either immediately above or below your current rate table. This table will show your premium if you choose to change your HIRSP plan option.
6. Repeat steps 2-4 above to see what the premium would be if you choose HIRSP's other Plan 1 coverage option.
7. Compare the rates and deductibles.

### Example

A 42-year old Milwaukee woman in Plan 1, Option A, would make the following comparison.

She would find the table saying "Plan 1, Option A/Female," look down the "Age Bracket" column to the row identified as "40-44," and read across to "Zone 1" (ZIP codes 532\_\_) to find a quarterly premium of \$1,503.

She would then look at the "Plan 1, Option B/Female" table, find age bracket "40-44," and read across to the "Zone 1" column to find a premium of \$1,083.

# Wisconsin Health Insurance Risk Sharing Plan (HIRSP)

## Quarterly Premium

Subsidy Level 0 - Household Income\* \$25,000.00 or More

Effective Date: July 1, 2005

Plan 1, Option A/Male (\$1,000 deductible)			
Age Bracket	Zone		
	1	2	3
0 - 24	\$684.00	\$615.00	\$546.00
25 - 29	\$720.00	\$645.00	\$573.00
30 - 34	\$813.00	\$732.00	\$651.00
35 - 39	\$957.00	\$861.00	\$768.00
40 - 44	\$1,164.00	\$1,047.00	\$930.00
45 - 49	\$1,524.00	\$1,374.00	\$1,218.00
50 - 54	\$2,064.00	\$1,857.00	\$1,650.00
55 - 59	\$2,739.00	\$2,463.00	\$2,193.00
60 - 64	\$3,471.00	\$3,123.00	\$2,778.00
65 +	\$3,471.00	\$3,123.00	\$2,778.00

Plan 1, Option A/Female (\$1,000 deductible)			
Age Bracket	Zone		
	1	2	3
0 - 18	\$684.00	\$615.00	\$546.00
19 - 24	\$888.00	\$798.00	\$711.00
25 - 29	\$996.00	\$897.00	\$798.00
30 - 34	\$1,119.00	\$1,008.00	\$897.00
35 - 39	\$1,284.00	\$1,158.00	\$1,029.00
40 - 44	\$1,503.00	\$1,353.00	\$1,203.00
45 - 49	\$1,776.00	\$1,599.00	\$1,422.00
50 - 54	\$2,121.00	\$1,905.00	\$1,692.00
55 - 59	\$2,469.00	\$2,223.00	\$1,974.00
60 - 64	\$2,844.00	\$2,559.00	\$2,274.00
65 +	\$2,844.00	\$2,559.00	\$2,274.00

Plan 1, Option B/Male (\$2,500 deductible)			
Age Bracket	Zone		
	1	2	3
0 - 24	\$492.00	\$444.00	\$393.00
25 - 29	\$519.00	\$465.00	\$414.00
30 - 34	\$585.00	\$528.00	\$468.00
35 - 39	\$690.00	\$621.00	\$552.00
40 - 44	\$837.00	\$753.00	\$669.00
45 - 49	\$1,098.00	\$990.00	\$876.00
50 - 54	\$1,485.00	\$1,338.00	\$1,188.00
55 - 59	\$1,971.00	\$1,773.00	\$1,578.00
60 - 64	\$2,499.00	\$2,250.00	\$2,001.00
65 +	\$2,499.00	\$2,250.00	\$2,001.00

Plan 1, Option B/Female (\$2,500 deductible)			
Age Bracket	Zone		
	1	2	3
0 - 18	\$492.00	\$444.00	\$393.00
19 - 24	\$639.00	\$576.00	\$513.00
25 - 29	\$717.00	\$645.00	\$576.00
30 - 34	\$807.00	\$726.00	\$645.00
35 - 39	\$924.00	\$834.00	\$741.00
40 - 44	\$1,083.00	\$975.00	\$867.00
45 - 49	\$1,278.00	\$1,152.00	\$1,023.00
50 - 54	\$1,527.00	\$1,371.00	\$1,218.00
55 - 59	\$1,779.00	\$1,602.00	\$1,422.00
60 - 64	\$2,049.00	\$1,842.00	\$1,638.00
65 +	\$2,049.00	\$1,842.00	\$1,638.00

Zone 1 = ZIP codes **532**\_\_

Zone 2 = ZIP codes **530**\_\_, **531**\_\_, **534**\_\_, and **537**\_\_

Zone 3 = All other ZIP codes

\* Household Income as defined in Wisconsin Statute s. 71.52(5)

## WISCONSIN HEALTH INSURANCE RISK SHARING PLAN (HIRSP) CHOICE OF COVERAGE REQUEST

### READ THE FOLLOWING BEFORE COMPLETING THIS FORM

This offer is not available to Wisconsin Health Insurance Risk Sharing Plan (HIRSP) Plan 2 policyholders.

Before you decide to change your Plan 1 coverage, we suggest you review: your financial situation, the cost of medical services you use in one year, the amount of the option's deductible, premium rates, and the additional information in the attached memorandum. Complete the bottom of this form and return it to HIRSP only if you decide to change your coverage.

HIRSP uses the information on this form solely for the purpose of changing your coverage as you request. You are not required to use this form to request a change of coverage, but your request must include the information requested on this form. HIRSP provides this form to you as a convenience.

### INSTRUCTIONS

Once each calendar year, policyholders enrolled in Plan 1 may request a change between Option A and Option B. The requested change will be effective January 1 of the next calendar year if the policyholder notifies HIRSP before November 1 of the current calendar year.

This means you should:

1. Consider whether you want to change between Option A and Option B.
2. If you decide to change your coverage, fill out this form and sign it. *If you do not want to make a change, no action is required on your part.*
3. Return this form to HIRSP by November 1, 2005. You may mail it to HIRSP at 1751 W. Broadway, PO Box 8961, Madison, WI 53708-8961. Or, fax it to (608) 226-8770.
4. If you have questions, contact HIRSP Customer Service at (800) 828-4777 or (608) 221-4551.

### INFORMATION NEEDED TO CHANGE COVERAGE

Yes! Effective January 1, 2006, please change my coverage to:

☐ Plan 1, Option A (\$1,000 deductible)

☐ Plan 1, Option B (\$2,500 deductible)

Name — Policyholder

Street Address

City

State

ZIP Code

HIRSP Identification Number

Current Plan

☐ Plan 1, Option A

☐ Plan 1, Option B

*This offer is not available to Plan 2 policyholders.*

SIGNATURE — Requestor

Date Signed